

ARTICLE 9

SECTION 8

BUSINESS PROPERTY

1. GENERAL

Business property is real or personal property in which the applicant/beneficiary holds any ownership interest and the property is used or intended to be used for self support. Self-support means self-employment rather than just an arrangement which provides financial support.

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Generally, the net market value, regardless of amount, of business equipment, inventory, licenses, and materials that are necessary for employment, self-employment, or rehabilitation is exempt from consideration as property. This section provides procedures for the treatment of business property.

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2. LIMITATIONS

A. Employee

Business property will be considered necessary for employment if either of the following applies:

- 1) The applicant/beneficiary states on form MC210 that the employer requires this property as a condition of employment; or
- 2) The applicant/beneficiary is currently unemployed and states on form MC210 that the property was previously used for employment and he/she is currently seeking employment which will require the use of property. In this case, the property will continue to be exempt for a period of one year from the date of last employment. If the applicant/beneficiary is not employed by the end of that period, the entire net market value will be added to the property reserve.

B. Self-Employment

Business property used for self-employment, rather than just a financial investment, will be exempt. In order for any property to be exempt as business property for self-employment, the applicant/beneficiary must verify the existence of a business by providing:

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- 1) Prior or current year tax returns for the business such as an Internal Revenue Service Schedule C, "Profit or Loss from Business or profession"; Schedule SE, "Computation of Social Security Self-Employment"; Schedule F, "Farm Income and

Expenses, etc."; Form 4562, "Depreciation and Amortization"; or Form 1065, "U.S. Partnership Return of Income";

- 2) If business tax returns are not available, the owner shall provide documentation such as business receipts, checks, invoices, sales slips and bank statements sufficient to verify the existence of a business.

A business property that has been used for self-employment in the past but is not currently in operation shall be exempt for a maximum of:

- 1) One year if the applicant/beneficiary can provide evidence that the property is not in operation due to reasons beyond the owner's control, and operation will be resumed within one year of the date operation ceased, or
- 2) Two years if the applicant/beneficiary can provide evidence that the operation ceased due to the owner's illness or disability and a plan to resume operation within two years of the date operation ceased.

C. Property Included in Plans for Achieving Self-Support

Property that is included in a plan for achieving self-support, which may provide for future training or the future establishment of a business, is exempt as long as:

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Clarification

- 1) The plan is approved by the County (likely by Adult Services), The Department of Rehabilitation or the Supplemental Security Income (SSI) program; and
- 2) Verification of the plan, with documentation of its approval from the approving agency, is provided.

The property is not necessarily in current use.

3. TREATMENT OF BUSINESS PROPERTY

A. Motor Vehicles

Motor vehicles will be considered business equipment if used for employment or for a means of self-support. They are not considered business equipment if they are used only for commuting to and from work.

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B. Cash on Hand

Cash on hand and money in bank accounts necessary for the functioning of a business or means of self-support will be exempt.

C. Real Property

Real property used in whole or in part as a business is exempt. Property which is used simply for investment purposes rather than for self-employment is not exempt. This could take the form of a former home which is now being rented out. This former home is not exempt as business property although it may be exempt as a principal residence as indicated in MPG Article 9, Section 4, item 4.

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D. Stocks, Bonds

Stocks, bonds, and other similar items of personal property will not be considered property necessary for employment or self-support even when the applicant/beneficiary holds stock in the corporation in which he/she is employed.